

# Value foundations of the concept *the people* and the formation of economic systems

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This article discusses the interpretation of the term *the people* in different socio-economic contexts, and suggests that the term should be viewed in its metaphysical and transcendental aspects. The authors support the idea of a correlation between the value foundations of the concept *the people* and the evolution of different types of economic systems.

## Introduction

The domination of virtual finance-economics in the modern information era necessitates a return to the origins and meaning of economic activity. Global economic, ecological, and humanitarian crises call for new approaches in the study of socio-economic systems. The questions “Why?” and “For what?” become fundamental, because the answers might explain the meaning of any human activity. In addressing these questions, and attempting to evaluate different economic systems, researchers, economists and politicians often refer to the concept *the people*. However, the essence of this term is not always clearly revealed, and its many ambiguities point to unresolved political and economic issues (Canovan, 2005). The polysemic nature of the word *the people* may lead to some confusion and misunderstanding in strategic decision-making. The question remains: by what means can we define the term *the people* for methodological applications in socio-economic studies?

Based on Sergei Bulgakov's philosophical ideas, the concept *the people* is understood in this paper as the *Weltanschauung* foundation determining the types and forms of economic activity (Bulgakov, 2000). The article discusses the correlation between the value foundations of the concept *the people* and the evolution of different types of economic systems (Rich, 2006). The authors support the idea that there is a fundamental relationship between the spiritual values and orientations of *the people* and the type and form of economic system they develop.

## Interpretation of the term *the people* in socio-economic studies

The term *the people* carries an assortment of meanings. Many of them are incompatible with one another (Canovan, 2005, p. 1). *The American Heritage Dictionary of English Language* (1996) offers the following definitions of the term *the people*:

1. The mass of ordinary persons; the populace.
2. The citizens of a political unit, such as a nation or a state; the electorate.
3. Persons subordinate to or loyal to a ruler, a superior, or an employer.

*The people* may be also used in the meaning “a sovereign”, or “privileged group of people” (Canovan, 2005).

The connotations of the term *the people*, in socio-economic and political discourse, undergo noticeable changes in different historical time and socio-cultural contexts. For example, the words “my people” have different meanings when uttered by Moses, Queen Elizabeth I, Josef Stalin, and the Dalai Lama of Tibet.

While it might seem obvious that the people of any particular polity are the population inside its borders, it has always happened that one group identified as *the people* was a political elite. The current ambiguities of the term *the people* are a legacy of centuries of its use in political controversy (Canovan, 2005, p. 2). Even the well-known “We, the People...” of the Preamble to the Constitution of the United States originally included only white male land-owners. Under Stalin, thousands of people were identified as “enemies of the people”, and socially privileged party nomenclature members were called the “servants of the people”. Moreover, in party propaganda, opinions of one or two individuals could be recognized as “the voice of the people”, ignoring the opinions of millions of people in the opposition. “We are the people”, chanted by the East German demonstrators in 1989, implied that authority and right were on their side (Canovan, 2005).

The term *the people* is often employed in political and socio-economic studies and practices. However, when used in different contexts, it may have different connotations, which may be misleading in strategic decision-making. We suggest that this term can most fully reveal its essence if we view it from a metaphysical position. Following Sergei Bulgakov, we understand the term *the people* not as a sum of individuals, but as their dynamic and harmonious unity (Bulgakov, 2000). The metaphysical and transcendental nature of the cultural-historical concept *the people* may have the following graphic interpretation (See Figure 1):

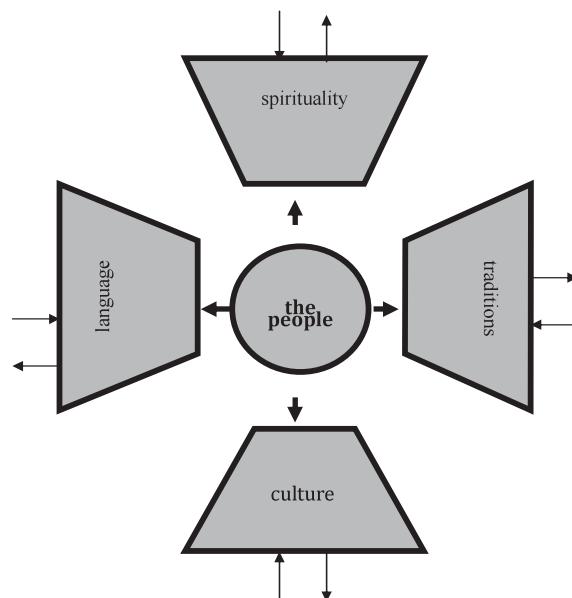


Figure 1. Graphic interpretation of the concept *the people*.

What does this scheme show? First, it reflects a topological basis for the definition of the concept *the people*. Second, it represents the essential foundation for the principle of unification of different connotations of the word *the people* into one unity. The primary structural characteristics of the term *the people* – *spirituality, culture, language and traditions* – serve as its main identifiers.

Modern definitions of the term *spirituality* range from transcendently metaphysical to socio-cultural. The transcendental approach in the definition of the term reflects the peoples' immersion in the sphere of ideas about the universal order and universal spirit. *Spirituality* may be also associated with religious belief and loyalty, especially in monarchies. In the Russian Empire, for example, foreigners had to be baptized as Orthodox Christians and adopt Christian names to be "included" in *the Russian people*.

In sociology and culturology, *spirituality* is understood as the highest form of life realization and its meaning. In this interpretation, the spiritual component serves as a connecting fiber penetrating natural and social in an individual, and is defined in terms of good and evil, beauty and love (Nikonorova, Sivochalova & Filatov, 2000). In other words, *spirituality* is defined in terms of ethics. A new tendency, however, can be noticed in modern interpretations of the concept *spirituality*. It is based on the recognition of the connection of the individual with nature. Understanding that an individual is a part of the world of nature necessitates the exploration of the spiritual meaning of such a unity, and therefore brings it to the sphere of the transcendental. The transcendental spiritual orientation of the people affects the organization of their vital activities and relations.

Similar tendencies can be traced in the understanding of the concept *culture* (Pelipenko & Yakovenko, 1998; Kosarev, 2000), in particular the understanding of the universal-concrete foundations of the concept *culture* and its logical connection with the other concept – *meaning* (Lotman, 1990; 1992). If we agree that "a human lives in a space of meanings" (Pelipenko & Yakovenko, 1998, p. 8), then *culture* can be understood as a resulting function of the process of meaning formation. Many manifestations of human activity and relationship are united by a common semiotic space in a dynamic continuum of *culture*, where *meaning* can be viewed as a syncretic quantum of the mental-cultural space. Thus, *culture* is perceived as a space between "the world of experienced praphenomena" and the world of their "semiotic equivalents" (Pelipenko & Yakovenko 1998, pp. 12–19). Taking into consideration its primary foundation, the concept *meaning* should be viewed not only in the context of empirical reality, but also on the plane of its metaphysical and even transcendental paradigms. Thus, to adequately understand the processes and phenomena of social reality, we should overstep the limits of formal logical thinking, and move to the sphere of mythical reality. Through myths, people perceive themselves as an integral part of the world of nature, and understand their own nature (Kosarev, 2000). Mythical reflections of the world are always anthropomorphic. With time, they get symbolized, their mystic function acquires ritual-dogmatic coloring, and they turn into traditions. It becomes clear why we should preserve traditions. If we lose traditions, we may lose an essential part of culture. With the loss of culture, we will lose one of the identifiers of *the people*.

The concept *language* and the functions of language have been sufficiently discussed in

numerous publications (Chomsky, 1986; Crystal, 2010). Within the frameworks of this paper, it is worth mentioning that human language may perform a syncretic function in the formation of *the people*. A common language usually serves as one of the identifying features of *the people*. A person who cannot speak the language of *the people* is usually treated as an outsider. In the recent years, a number of researchers (from the field of physics, biology, and linguistics) have pointed to possible similarities between language and texts, and genetic code and genetic texts in the transfer of hereditary information (Grinevich, 1997). As Pyotr Garyaev argues, deep semiotic structures forming the foundation of language may be passed on from one generation to another (Garyaev, 2009).

To sum up, the concept *the people* may be represented in the form of a metaphysical image, as an independent formation in the body of human organizational forms of a higher systemic level. One of the particularities of *the people* as a systemic unit is that on the one hand it strives for isolation, but on the other hand it longs for unification with other peoples. This feature, in our opinion, determines the nature of performance and construction of national economic systems in general. For example, total globalization goes along with integration of economic systems related to production. However, the resulting unification of the types of interactions between people may affect and be affected by the functioning of traditional forms of economy and socio-economic relations. The process of such integration may not only level the particularities of a national economy, but also infringe on the right of the people to have their own *Weltanschauung*. Moreover, despite globalization, there are considerable differences in how the economic system works between different countries and cultures (Rich, 2006). Therefore, the concept *the people* becomes alpha and omega of economic activity regulation.

The level of people's organization determines the choice of types and forms of economic systems. Negative forms of economic interaction between people (involved in economic process) may occur when their interaction is based on technocratic, so-called civilized principles, with a minimized influence of the spiritual factor. Mercantile, superficial interactions among the peoples of the world, in this case, distort the original meanings of their cultural spaces. *Traditions* are reduced to the forms of interaction necessitated by the technocratic requirements for economic success. The concept *culture* is brought down to a postmodern estheticism. *Spirituality* is reduced to spiritualism, and *language* becomes an instrument of concealing real intentions and plans. Without spiritual orientation the economic interactions of the people may become unequal, unfair and selfish, losing their mutually beneficial character. This tendency becomes clear if viewed from the position of different economic systems.

## Formation of economic systems

Three main types of economic systems can be identified in the modern world: financial, economic and ecological. The latter type of economic system is only given lip-service in the "civilized" world and can be observed only in some so-called "primitive" cultures, where the people preserve an ecology-oriented type of economy that rests not on rational but on mythological

interpretation of the world. The type of economy depends on the purpose of economic development defined by the people. The Weltanschauung position of the people becomes the key factor in the choice of the type and style of their socio-economic activity.

A finance-oriented type of economy is characterized by the hypertrophied financial factor that dominates other factors of development and functions under the conditions of expanded reproduction. A finance-oriented type of economy is the finansomics (Salinzki, 2011) of modern technological-informational systems. Such systems transcend the realm of the tangible world and function in the sphere of virtual reality.

The next type of economy represents traditional, classical economics aimed at commodity production, and presupposes the creation of an artificial environment. This type of economic system could be balanced with ecological requirements, but only on the condition that people will understand the necessity of limiting the consumption of natural resources.

The third type of economy is ecology-oriented. Within this economic system, ecological considerations and goals take priority over economic ones. This type of economy is conditioned by the vital necessity to preserve *the people* as a unique community with high level of self-consciousness. All the efforts are directed at maintaining a natural environment with *the people* as its integral part.

These three types of economy may coexist, however one of them may dominate the others. Modern history is characterized by the dominance of the first two types of economy.

## Conclusion

The results of the study reveal a deep relationship between the spiritual foundations of the people, their value orientations, and the type of economy they choose. One of the findings was that the type of a naturally chosen economy is the reason for and the result of the transformation in the Weltanschauung of *the people*. Therefore, not all the imported recipes for economic development, based on foreign experience, may be good for different cultural environments. Moreover, forceful introduction of “foreign” economic systems often proves to be more destructive than constructive.

Using the concept *the people* to substantiate economic development, we emphasize the importance of all nationalities united under the same government. Moreover, the state might realize its full existence only by maintaining the unity of its nationally diverse people.

The authors suggest that, for methodological applications in socio-economic studies, the concept *the people* should be analysed considering its metaphysical and transcendental aspects.

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